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February 18, 2004

Ms. Jennifer J. Johnson
Secretary
Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: Proposed Rule - Implementation of Check 21
Docket No. R-1176

Dear Ms. Johnson:

I would like to take this opportunity to comment on the above referenced proposal relating to the implementation of Check 21 which include amendments to Regulation CC; Availability of Funds and Collection of Checks.

We feel that any item that purports to be, but is not a substitute check of the original should carry the same rights as though it were a substitute check to include warranty and indemnity rights and re-credit and consumer awareness rights. We believe this shows consistency with the existing requirements under the regulations referenced above.

In the same manner we believe that any double charge of an ACH item should carry the same warranties covering any payment requests.

We agree with the Board's proposal under Section 229.54(c) regarding the reorganization of the statutory provisions concerning "action on claims" and the proposal under Section 229.54(c)(4) which states that if after re-credit, the financial institution later determines that the customer's claim is invalid, the financial institution would be allowed to reverse the amount of re-credit plus any interest paid on that amount.

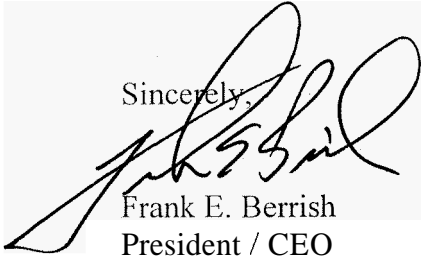
We would also support the Board's suggested alternative to Section 229.57(b)(2) that a financial institution must provide the required disclosure to a consumer who requests a copy of a check when it is provided rather than when the request is received.

The model language in form C-5A of appendix C regarding consumer awareness disclosure of substitute checks seems clear and accurate but in our opinion is not necessarily concise.

We do not agree with the commentary to the substitute check definition describing the various ways in which the MICR line of a substitute check can vary from the MICR line of the original for the very basic reason that correcting MICR read errors destroys a correct audit trail.

Finally, although we agree that the Board's proposal address specific examples of "generally applicable industry standards" in the commentary, as opposed to the text of Reg. CC, we do not believe it is necessary for additional explanation or examples to clarify the interaction between the rights and remedies conferred by Check 21 and those conferred by other law, particularly the UCC.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank E. Berrish", is written over a light gray rectangular background.

Frank E. Berrish
President / CEO